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Congress of the United States Bouse of Representatives

Washington, **DC** 20515-1303

July 3, 2018

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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POSTAL REGULATORY COMMISSION

The Honorable Robert Taub Chairman Postal Regulatory Commission 901 New York Avenue NW, Suite 200 Washington, DC 20268

Sec. 407 Public Comment Re: Docket No. IM 2018-1

Dear Chairman Taub:

As the Postal Regulatory Commission works to provide its views to the US Department of State ahead of the Extraordinary Universal Postal Union (UPU) Congress to be held in Ethiopia in September, I urge the Commission to address concerns over inequities in the terminal dues system between the U.S. and other industrialized countries under current UPU policies. In particular, I request that the Commission urge the Department of State, in its negotiations at the Congress, to account for China's level of industrialization and the advantages that China receives compared to U.S. businesses through the current terminal dues system.

I have directly heard from U.S. companies in my district about the difficulties they have faced competing with Chinese businesses that benefit from artificially low shipping costs compared to domestic US shippers thanks to the terminal dues system. Under current UPU classifications, China is currently ranked as a Group III country along with nations like Jamaica, Cuba, Libya, and Venezuela, which does not account for China's extensive and rapidly expanding role in global commerce. While rates for UPU Group III countries were renegotiated in 2016 to provide for a 13% increase in terminal dues for inbound packets, China retains substantial advantages on shipping costs relative to domestic U.S. businesses. In short, it is still cheaper for someone in China to ship to Illinois than it is for someone in Texas to ship to Illinois, which leaves U.S. companies on an uneven playing field against a key economic player on the global stage.

The Department of State needs to hear this message so it can best represent the interests of U.S. stakeholders on the global stage. Thank you for your consideration of this request. Should you have any questions about this letter, please contact Sofya Leonova on my staff at sofya.leonova@mail.house.gov or (202)225-5701.

Daniel W. Lipinski Member of Congress

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